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October 9, 1996

TO: ALL ROU'S WITH KMART AND SUPER KMART

Please send to all affected personnel with Kmart and Super Kmart stores (Including Sales Reps, Retail Reps, Division Managers, Retail Managers, Key Account Managers, Account Managers)
(CID #0002-XX-XX)

SUBJECT: PM RESET OF KMART/SUPER KMART

Ladies and Gentlemen:

As you are probably aware, Kmart has finalized plans to reset their stores to PM package fixtures. The details of that change are listed below, but I also wanted to talk a little about why we believe this is right for RJR.

Over the years, our financial commitment to Kmart has been substantial. That commitment bought us presence and promotional opportunity within the chain. During that same period of time we have watched Kmart's and RJR's volume steadily decline in these conventional carton outlets.

The sales trend, our perception of Kmart's long-term commitment to the category, and our strategic direction into the future were the factors which led us to accept a Level 1 contract. We know it is the right thing to do.

Below are the details of the change over:

- PM will begin installation of their fixtures and removal of RJR fixtures beginning the week of October 14, 1996.
- Approximately 900 stores will be completed by the middle of November.
- PM, along with the local Kmart supplier, will install, tag, and load the new fixtures to a set plan-o-gram.

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Source: https://www.industrydocuments.ucsf.edu/docs/qmpm0000

- Kmart has been instructed to dispose of the RJR fixtures as they see fit, except they may not be used within the store itself. ***(If you would like to keep these fixtures, please contact the store manager before removal to discuss RJR picking them up.***

- No involvement is required from RJR during the placement of the PM fixtures.

- RJR will have the option to adjust the authorized brand load on a by-store basis, working with the store manager. The total number of RJR brands cannot be increased, but substitutions may be made based upon local needs. When these adjustments are made, a new shelf tag must be generated at the store level.

- Contracts will be changed and entered into SIS by this office based upon the schedule provided to us.

The new contract designations are: CTN OUTLET L1A (contract and accrual) with a return of some contract dollars to retail accrual. Compliance will be based upon standard RJR guidelines for a Level 1 contract.

During normal coverage, your assistance in assuring RJR space is set to the counter and pack plan-o-gram, which can be found in the store, is appreciated.

A reset schedule has been mailed to your ROU and plan-o-grams will be sent as soon as they are available to me. If questions should arise, please contact your ROU, Dennis Bellinger, or myself for assistance.

Sincerely,

Jack

Jack Geeting

cc Jim Maguire
AVP's
RSM's
Dennis Bellinger

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Source: https://www.industrydocuments.ucsf.edu/docs/qmpm0000